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ONE HUNDRED FOURTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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February 27, 2015

Ms. Marilyn Moon
Institute Fellow
American Institutes for Research
6003 Executive Boulevard, 3rd Floor
Rockville, MD 20852

Dear Ms. Moon:

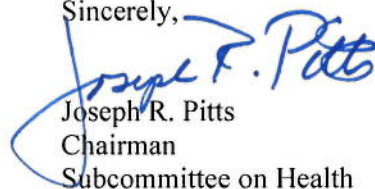
Thank you for appearing before the Subcommittee on Health on Wednesday, January 21, 2015, to testify at the hearing entitled "A Permanent Solution to the SGR: The Time is Now."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Friday, March 13, 2015. Your responses should be mailed to Adrianna Simonelli, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515 and e-mailed in Word format to Adrianna.Simonelli@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Joseph R. Pitts
Chairman
Subcommittee on Health

cc: Gene Green, Ranking Member, Subcommittee on Health

Attachment

Attachment—Additional Questions for the Record

The Honorable Joseph R. Pitts

1. Ms. Moon, you have served as a public trustee for the Social Security and Medicare trust funds, and formerly were a senior analyst at the Congressional Budget Office. So I was surprised by the tone of your testimony which not only rejected the idea of using Medicare reforms to help pay for SGR reform, but seemed to reject the budgetary pressures Medicare is creating. You even said “Medicare is not a runaway program in need of reform.” So I have a few *yes or no* questions for you:
 - a. Will you acknowledge that, based on current projections, Medicare’s Trust Fund faces insolvency in the next 10-15 years?
 - b. If so, would that present a problem for seniors accessing care?
 - c. Do you think it is fair that middle class taxpayers should subsidize millionaires on Medicare?
 - d. Do you think it is fair that Medicare fails to offer seniors peace of mind by providing a catastrophic cap against financial hardship due to extended illness?
2. In your testimony, you seemed to only suggest tax hikes as a possible offset for SGR reform. Are there *any Medicare-related bipartisan offsets* you would endorse to help pay for SGR reform?

The Honorable Doris O. Matsui

1. Currently, Medicare beneficiaries have separate cost sharing structures when they see doctors versus when they go to the hospital. There may be ways to simplify this and modernize Medicare benefits to look more like health insurance products we see today. However, current proposals to redesign Medicare benefits, such as combining Part A and B deductibles, would redistribute the burden of health care costs to the most vulnerable in the program.
 - a. Can you talk about the potential impact on beneficiaries of a combined Part A and B deductible?
2. Medicare beneficiaries with income above a certain amount already pay higher premiums for doctors and prescription drugs. Can you talk about the potential impact of further income-relating Medicare premiums in Part B and D? What income levels would some of these proposals reach?
3. Many Medicare “reform” proposals seek to alter Medigap insurance – supplemental insurance many people buy to help with the costs of Medicare. Such proposals include adding a deductible where there currently is none, imposing cost-sharing amounts, and/or charging an extra tax or surcharge on certain policies. What would the effect of such proposals be on those who purchase such policies?
4. The idea of combining the Part A and B deductibles with an out-of-pocket cap sounds good, and may not increase costs for the aggregate beneficiary, but IS likely to increase costs for most beneficiaries in any given year. Can you discuss this further? How does a \$7,500 dollar spending

cap play out for a beneficiary with an income of \$23,500 dollars or less (which is the majority of beneficiaries)?

5. Already faced with high health care costs, many people with Medicare are forced to choose among basic needs, such as buying groceries or seeing the doctor for a persistent cough. Dr. Moon, how would Medicare benefit redesign proposals worsen this problem for seniors and people with disabilities?
6. The Medicare Trust Fund is currently estimated to be solvent until the year 2030. That is 13 years longer than was expected before the passage of the ACA.
 - a. Dr. Moon, is Medicare spending out of control? Please also discuss the contribution of population dynamics, namely our aging baby boomer population, to rising costs in comparison to the contribution of so-called “out of control” spending.
 - b. Please discuss Medicare spending over the last several years and how the ACA has impacted it.

The Honorable Ben Ray Lujan

1. Dr. Moon, as we have been discussing, last Congress we were able to come to a bipartisan, bicameral compromise that would permanently repeal the flawed SGR payment system. But this package, the SGR Repeal and Medicare Provider Payment Modernization Act, also takes a step further by providing a framework for reforming Medicare’s payment system. The bill moves from paying based on volume of services to paying based on quality of care. It incentivizes physicians to switch to alternative payment models like medical homes, case-based payments, or accountable-care payments.
 - a. How would moving away from fee-for-service to alternative payment models help Medicare beneficiaries and the Medicare program?
 - b. Would a value-based system like the one we proposed in the SGR Repeal and Medicare Provider Payment Modernization Act also help control costs in the long run?